

## MANAGER'S MESSAGE • PAT CARRUTH

*General Manager*



### **Board Approves 2015 Work Plan and Budget**

At their November meeting, the Board approved the work plan and budget for the coming year. The approved budget allows us to hold our retail rates steady for 2015. It also allows us to complete the second year of improvement projects laid out in our 2014-2017 Four-Year Construction Work Plan. We will make about \$2.6 million in system improvements in 2014. The Four-Year Construction Work Plan is just under \$11 million.

The set budget for next year includes the annual maintenance activities that we need to do to keep your system operating at a high level of reliability. The tree cutting, trimming and spraying to keep our lines clear when the load of ice and wind comes. The inspection and maintenance of 652 oil/vacuum enclosures spread throughout our 3,270 miles of line and 16 substations - they are basically big circuit breakers that trip and reset when things such as lightning or contact drop out the line. The inspection and maintenance of the supervisory controls for our transmission line switches, which allow us to switch line from the operations office when we have problems or need to work on different sections of line. We also need to maintain the 150 voltage regulators spread throughout the system, which are constantly adjusting to keep the

proper voltage at your place. We treat and test 2,000 plus poles each year to get more life out of them and change out the 50 or so poles the treating crews reject. These projects and many other maintenance activities must be performed on our system each year to make sure we provide you good voltage while keeping your lights on.

We are excited to get into another year of work on your system and to do it without a rate increase. This will be three years without a rate increase if we can hold. The weather or other unforeseen events can always throw a wrench into the best of plans, as you well know.

### **Ending 2014 in Good Financial and Operational Shape**

As of this writing, we have closed the financials through October and continue to be confident that we will end the year in good financial shape. Through October, we have a total margin year-to-date of \$1,505,000 compared to budget of \$557,000. Driving some of that healthy margin is an increase in energy sales year-to-date over last year of about 1 percent. Also, overall operating expenses, including purchase power, are down about \$200,000 year-to-date compared to budget. Our 2014 budget calls for a year-end total margin of \$990,000. We expect to end the year well ahead of that.

Operationally, we are closing in on finishing all of the maintenance projects planned for the year to keep your system operating properly. We would have liked the weather to hold a bit longer to finish some underground projects we had in the works, but that is just the way it goes. We are working to get caught up on clearing our right-of-way of tree growth. We made good progress this year and will continue to put more resources to it throughout the winter and into 2015. Our goal is to get through our system in under a four-year rotation. Most of our project has had pretty good moisture and growing conditions the past few years. The trees have really grown.

Anyway, we feel like we are in pretty good shape operationally and financially at this point for 2014.

### **From All of Us to You**

The Board and employees of Minnesota Valley want to let you know that we appreciate your business this past year. Thank you! We also want you to know that we appreciate working for you and for your cooperative. We look forward to working hard for you this next year at being good stewards of your system to assure you continue to get the reliable electric service you have rightfully come to expect from your cooperative.

We wish you a blessed and merry Christmas and a happy and prosperous New Year!

## Power of Policy Impacts Our Members

It seems you can't turn on a TV, listen to the radio or pick up a newspaper without hearing about ineffectiveness in government. It often seems that no matter what we do or who we vote for, we don't feel truly represented in either our state or national governments.

At Minnesota Valley, we understand how that feels and we have been there ourselves. That feeling, along with a strong desire to take action, is the reason why we have a dedicated staff that works to ensure our members' interests are represented and heard, by elected officials.

Members of our government relations and policy teams work tirelessly to tackle complicated regulatory and policy issues. They apply these issues to the ever-changing energy market and then evaluate how those issues impact our communities. They have a deep understanding of the needs of the communities we serve and they use that knowledge to ensure that your needs are represented in major legislative decision-making.

The ability to impact change is a huge part of being a member of Minnesota Valley. We don't lobby elected officials on behalf of investors with the aim to increase profit margins. We work with elected officials to make sure that your interests are being considered to ensure that you will always be provided with safe, reliable and affordable electric service. That is the cooperative difference.

But it isn't just our government relations team that helps us affect policy and legislative change. Your voice makes a huge difference in how quickly and effectively we can drive change. Through our grassroots advocacy programs, we encourage you to bring your ideas to the table and to make your voice heard. This is how we show state and national officials that we are acting in your best interest. Your collective voice shows that we represent communities and families, not corporate interests.

The next time you are feeling frustrated, the next time you want to be heard or the next time you want to make a change in your community, call Minnesota Valley. I one zero three zero three B Find out what we are doing to represent your interests and find out how you can help affect impactful change in our communities.

### Minnesota Valley will be closed:

- » Wednesday, December 24<sup>th</sup>
- » Thursday, December 25<sup>th</sup>
- » Thursday, January 1<sup>st</sup>

**Merry Christmas & Happy New Year!**

## Save the Date!

**Caucus Meetings • Thursday, February 5<sup>th</sup>**

**District 1:** Glen Klefsaas - 10:30 AM, Madison VFW  
**District 3:** Mark Peterson - 1:30 PM, Dawson City Hall

## Generator Safety

A generator can be a valuable tool to keep appliances working during a power outage. Before ever starting a generator, it is vital to learn how to use one safely.



Generators can be either temporary or permanently installed. A permanent generator is wired into a house by a qualified electrician, using a transfer switch that prevents a generator from feeding electricity back into overhead lines, which can be deadly for linemen. A temporary generator should not be attached to a circuit breaker, fuse or outlet.

### Some Safety Tips to Follow When Using a Generator

- Generators should be operated in well-ventilated locations outdoors away from all doors, windows and vent openings.
- Never use a generator in an attached garage, even with the door open.
- Place generators so exhaust fumes can't enter the home through windows, doors or other openings in the building.
- Make sure to install carbon monoxide (CO) alarms in your home. Follow manufacturer's instructions for correct placement and mounting height.
- Turn off generators and let them cool down before refueling. Never refuel a generator while it is running.
- Store fuel for the generator in a container that is intended for the purpose and is correctly labeled as such. Store the containers outside of living areas.



### Energy Saving Tip

Look for the ENERGY STAR® label on light bulbs, home appliances, electronics and other products. ENERGY STAR® products meet strict efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.





*Manager of Engineering & Operations*

The cold weather has definitely found us, bringing with it plenty of snow so early in the year. A couple of our underground projects were cut short by the snow and colder than normal temperatures

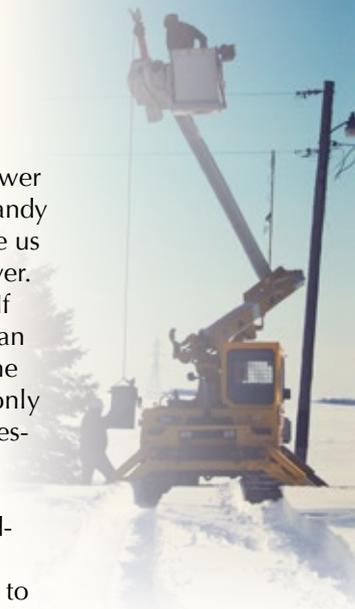
in November. These projects will be the first ones finished in the spring.

This winter season you may see a large truck in your yard or going slowly along a road while checking lines. Please don't be alarmed and think there is a problem. We are just doing our annual inspections on a rotation basis. The fall harvest load was handled very well by the cooperative electrical transmission and distribution systems. R two seventeen zero four While the drying load was happening we were having very nice weather, so there really was no heating load at that time.

During the winter months ahead, we are bound to get some bad weather. If your power does go out, have your location number handy when calling into the office. Please provide us with the physical place that is without power. Some consumers have multiple locations. If the correct one isn't given when reporting an outage, our crews may be trying to go in the wrong direction during bad weather. This only extends the outage time and causes unnecessary confusion.

If you have a planned project or are considering a change next year to your electrical facilities, this winter would be a great time to discuss them with us in our office.

I would also like to extend a wish to you all for a great holiday season and Merry Christmas.



## First Call

Consider giving the First Call system as a Christmas gift to someone you know who is living alone or is getting older and needs some extra assistance.

- *For the person you care about—the independence they want and the security they need.*
- *For their family and friends—peace of mind.*

Call for more information or a free demonstration: **(320) 269-2163** or **(800) 247-5051**



## Here's how the *First Call* system works...

1. Pressing the button on the neck or wrist pendant sends a signal to the First Call telephone.
2. The phone automatically calls the CRC where critical information regarding your name, address and medical history is kept.
3. Through the speakerphone, the needs of the caller are determined and appropriate help is contacted within seconds.

## Comparative Report

	Jan-Oct 2014	Jan-Oct 2013	Jan-Oct 1994
Kwh Purchased	176,677,364	174,375,287	109,891,376
Kwh Sold	166,803,616	165,174,166	103,856,410
Cost Of Purchased Power	\$8,377,577	\$8,468,737	\$3,631,389
Patronage Capital Margins	\$1,505,962	\$1,034,652	\$145,656
Reserve For Taxes	\$233,310	\$278,000	\$231,395
Cost Per Kwh Purchased (mills)	47.42	48.68	39.19
	October '14	October '13	October '94
Total Plant	\$63,793,762	\$62,057,322	\$24,846,990
# Of Members Receiving Service	5,270	5,264	5,171
Average Residential Bill	\$270.40	\$282.06	\$137.44
Average Residential Kwh Consumption	2,505	2,712	1,884
Average Kwh Usage All Consumers	3,574	3,758	2,406
Peak Kw Demand (Peak Load)	44,719	46,828	26,059

There are two hidden account numbers in this newsletter. If you find your number, you will receive a \$10 energy credit or \$20 if you are an Operation Round-Up participant. Call the office to claim your credit.

*There were no winners from last month's issue. Keep looking!*



## MEMBER SERVICES • BOB WALSH

Member Services Manager



### How to Avoid or Investigate a High Winter Bill

No matter how conservative you are, there's a good chance that you'll use more electricity during the upcoming winter months. Many factors will have an effect on your electricity usage during the colder months of winter. A better understanding of your energy consumption may help you to track your usage on the electric bills you will receive this winter. There may be hidden "energy hogs" that you may not be aware of. One or more of the following things will possibly contribute to increased energy consumption this winter:

- ❖ *Central heating systems are used more during the cold months of winter*
- ❖ *Space heaters can be used more to keep certain areas warmer*
- ❖ *Heat tapes and heaters may be used to keep water pipes from freezing*
- ❖ *Shorter days mean more lights are on longer*
- ❖ *Exterior lighting is used more often*
- ❖ *Clothes dryers are used in place of line dried clothes*
- ❖ *Additional cooking and baking is usually done*
- ❖ *Christmas lighting is used throughout December*
- ❖ *You may entertain more in your home*
- ❖ *We stay in the house for more hours using electronics and appliances*
- ❖ *Livestock & pet water tank heaters are used to keep water from freezing*
- ❖ *Vehicle engine heaters are used more to get equipment started*

Three easy steps can help you understand a higher bill and avoid high bills down the road:

- 1) **Compare your usage—view your consumption, not just the cost, to see if it has increased**
- 2) **Find opportunities to save—if your consumption is higher, look for ways to reduce it**
- 3) **Monitor you usage—with the use of energy monitors you can track what certain appliances are using for electric energy**

It's important to remember that higher bills can be due to a number of different reasons and our Member Services Department is here to help you better understand your energy usage. Please call our office at (320) 269-2163 or (800) 247-5051 if you have questions about your electric consumption.

### Clearly Electric Heat is the Way To Go

Minnesota Valley has electric heat and dual heat rates that can lower your heating costs for the cold weather ahead. Permanently installed electric heat qualifies for cheaper rates that are comparable to purchasing propane or fuel oil at around \$1.20 per gallon. Taking advantage of these low heat rates can help to take the "sting" out of your winter heating bills. Contact us now for more information.

*From all of us...*

The board and employees would like to express appreciation for your business this past year. Thank you! We look forward to working hard for you this next year to keep your system in good working order and provide you with reliable electric service.

**We wish you all a Merry Christmas and a Happy New Year!**

### Directors

Steve Norman  
Gary Groothuis  
Wayne Peltier  
Darryl Bursack

Glen Klefsaas  
Mark Peterson  
Tim Velde  
Steve Torvik, Attorney

### Employees

Pat Carruth, General Manager

Brandon Bjelland  
Stacey Boike  
Loyd Canatsey  
Mitch Christensen  
Dave Dieter  
Trevor Diggins  
James Hughes  
Candice Jaenisch  
Andy Johnson  
Mark Johnson  
Bob Kratz  
Scott Kubesh  
Eric Landmark  
Blake Lymburner

Scott Monson  
Duane O'Malley  
Jerrad Perkins  
Jill Sand  
Joe Schultz  
Kent Smith  
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John Williamson  
Lacey Wintz  
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#### Office Hours

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Monday through Friday

#### Minnesota Valley Co-op News

Published monthly by:  
Minnesota Valley Cooperative  
Light and Power Association

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[www.mnvalleyrec.com](http://www.mnvalleyrec.com)

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